

K-33. Transfer of completed work to installation commander

a. After a construction project is completed, the USACE district will prepare a DD Form 1354, per AR 420-17, to formally transfer the completed work to the installation commander and provide the installation a DD Form 1354 on the day the user beneficially occupies the premises. The USACE district will provide the installation as-built drawings, warranties, and operational manuals not later than 60 days following the occupancy date.

b. Transfer to the installation commander will be accomplished as follows:

(1) Joint inspection of completed work. Upon receipt of written notice from the USACE district that a project is ready for use, the installation commander, using service (tenant), and USACE district representatives will jointly inspect the facility or portion of the completed facility. All known major construction deficiencies will be corrected before this inspection. This inspection will also include a concurrent review of as-built drawings, project cost data, and data for real property records. Written notice of the joint inspection will be forwarded to the MACOM, the operating agency commander of the using service or tenant agency commander, or both so they might take part in the inspection. Minor construction deficiencies will not delay the transfer. These deficiencies will be listed on the reverse side of the transfer forms for correction by the USACE district. The date for correction of minor deficiencies will be agreed upon by the using service and the USACE district before final acceptance by the using service.

(2) Acceptance by the installation commander. The installation commander will accept the completed work when the USACE district certifies that it is complete and usable for its designed purpose, except for noted minor deficiencies, in accordance with the terms of the contract documents. The installation commander will report such acceptance to the MACOM commander of the Army using service and include comments on the work.

(3) Transfer. Transfer of completed work to other departments and agencies will be as agreed upon by DA and the department or agency for which the work was accomplished.

K-34. Execution of construction projects after completion of a MILCON project

Once a MILCON project is complete and usable, execution of construction projects using other appropriations such as OMA, OPA, or RDTE may proceed without a waiting period. However, the required project must address a newly identified requirement and cannot be construed as project splitting.

K-35. Real estate acquisition

a. AR 405-10 governs land acquisition.

b. Land costing no more than \$500,000 (exclusive of administrative cost and deficiency judgements) can be purchased at the discretion of the installation, and funded with appropriations available for maintenance or construction. (See section 2672, title 10, United States Code (USC) (10 USC 2672) and section 2673, title 10, United States Code (USC) (10 USC 2673).)

c. Land costing more than \$500,000 can be funded with a Congressional MCA reprogramming provided it is authorized pursuant to 10 USC 2672a. By this statute, the Secretary of the Army is authorized to acquire any land provided:

(1) It is needed in the interest of national defense

(2) It is needed to maintain the operational integrity of an installation

(3) It is so urgent, it can not wait for the next annual MCA budget request

(4) Congress is notified 30 days before the acquisition.

d. For a land acquisition which meets the above criteria and costs no more than \$1.5 million, UMMCA funds can be used in lieu of a congressional MCA reprogramming. This could save several months.

e. For land costing more than \$500,000, and which does not meet the stringent criteria of 10 USC 2672a, authorization and funding

must be obtained through the annual MILCON Authorization and Appropriations Acts. Although section 3801, title 10 United States Code (USC) (10 USC 3801) does not define military construction to include land acquisitions, there is ample statutory precedent to show that MILCON funds should be used for such a capital investment as land. Accordingly, programming and execution of land acquisitions should be in accordance with this regulation.

f. Real property access required for construction purposes will be cleared before access is gained. The concerned USACE district will obtain title, right of entry for construction, or right of possession to real estate upon request of the installation commander or his or her authorized representative and receipt of appropriate funding. Land acquisition OCONUS, however, is processed through the MACOM under SOFA procedures. (See AR 405-10.)

g. MILCON of a permanent nature will be placed only on land that meets the requirements outlined in AR 405-10.

h. When UMMCA funds are used for land acquisition, section 2672A(a), title 10, United States Code (10 USC 2672A(a)) will be cited as the authority.

K-36. Facilities Reduction Program

a. The Facility Reduction Program (FRP) requires the Army to dispose of one square foot of facilities to offset each square foot of new construction added to the inventory. **Facilities demolished may come from the inventory of the host MACOM on whose installation the construction will occur or from the inventory of a tenant MACOM.** This requirement will not reduce the Army facility inventory, but will preclude the growth of existing inventories.

(1) Disposal square footage needed to meet the one-for-one offset requirements will be added to the programming MACOM FRP 2 years after the project's appropriation year. Additional square footage to meet offset requirements for non-landholding tenant construction will be added to the host MACOM's FRP inventory 2 years after the appropriation year of the project.

(2) Temporary, semi-permanent, or permanent facilities may be demolished under the FRP. MACOMs should select these facilities based on condition.

(3) Disposal of square footage to meet the one-for-one offset requirement may be MILCON funded if construction is for a replacement project. Demolition associated with a replacement project must be on the same installation as the new construction and must be explained on the DD Form 1391-EF. MILCON funded disposal is not limited to footprint demolition. MACOMs and installations will not approve changes that involve deletion or revision to facilities scheduled for demolition in the project. These changes and any associated with square footage identified for demolition in the DD Form 1391-EF will be submitted to HQDA (DAIM-FD).

b. Changes in project scope or completion date (delay in appropriation) will result in adjusted size and schedule of offset reductions required.

c. Buildings identified for demolition against one construction project may not be identified for demolition against another construction project, unless an exception to demolish has been approved.

(1) Changes in project scope, project cancellations, or project re-siting will be the only acceptable reasons for requests for substitution or exception to demolition.

(2) Approval of requests for exception will not reduce the FRP requirement to demolish one square foot of existing facilities for each square foot of new construction.

(3) Demolition identified on DD Forms 1391-EF is considered a formal commitment by the Army to the Congress. Requests for substitution or exception to demolition policy will be submitted to HQDA (DAIM-FD).

d. New construction for AFH, Defense Logistics Agency depots, production plants, sewage treatment facilities, transformer stations, and similar infrastructure facilities and chemical demilitarization facilities (when the facility is intended to be demolished at the conclusion of its use) are exempt from the offset disposal requirement. However, disposal associated with construction of these types of facilities is encouraged. Tenant construction requires demolition

of an equivalent amount of square footage to be constructed. This demolition must be identified by the MACOM on whose installation the construction will occur. However, actual facilities nominated for reduction may be negotiated among MACOMs and may actually come from the tenant MACOM inventory.

e. Demolition associated with AFH will be funded and accomplished in accordance with that appropriation's guidance and not the FRP guidance above.

K-37. Obligation rates for foreign currency transactions

Funding of Army MILCON projects executed by foreign currency contracts should be limited to the year of appropriation. If it is necessary to fund such a project from other than its year of appropriation, prior approval in writing must be obtained from HQDA (DAIM-FD). As a general rule:

a. The budgeted currency exchange rate in effect when funds are appropriated by the Congress will be uniformly applied to foreign currency obligations made throughout the life of that appropriation, regardless of the year in which the obligations, including in-scope adjustments, are actually recorded.

b. Split-funded foreign currency projects will be obligated using the budget exchange rates associated with each cited fiscal year's appropriation.

c. Obligations which have been partially or fully liquidated will not be revalued.

d. Previously recorded disbursement transactions should not be adjusted to change obligation values.

Appendix L Information Systems Support

L-1. Funding Sources

Funding sources for information systems and associated equipment and systems supporting construction-funded projects are listed in table L-1.

L-2. Funding of information systems components

Table L-1 applies to funding for information systems where those systems are associated with MILCON projects. Costs related to such functions as repair, replacement, expansion, operation, and maintenance unassociated with MILCON projects are not to be construction funded.

L-3. Explanation of table columns

a. Column one, System Component, lists the information system component of both information and associated equipment systems supporting construction-funded projects.

b. Column two, ISCE, identifies if the system component is included in the Information System Cost Estimate.

c. Columns three and four identify under the heading "Funding Source" specific funding sources for procurement and installation of information systems cabling or components. This does not necessarily reflect that maintenance, operation, repair, or replacement of such items is funded by the DPW. (For those items of information systems for which maintenance, operation, repair, or replacement costs or activities are funded by the DPW, see AR 420-49.)

d. The letter "Y" indicates that the cost estimate for each item in column one that is included in Section 17 of the DD Form 1391-EF (ISCE), is developed by USAISEC, the agency which provides the standards, criteria, and design for that item. The aggregate costs of "Y" items represent the ISCE total cost estimate. The letter "N" indicates the cost estimate for each item in column one is included as part of the per-square-foot cost, is developed by USACE, the agency which provides the standards, criteria, and design for that item. The aggregate cost appears in the per-square-foot cost of the primary facility. Where "N" items include cabling or equipment installed beyond the facility 5 foot line, a separate line item entry, in addition to that entitled "Information Systems," will be made in Block 9B, the Supporting Facilities section of DD Form 1391-EF for those items. One example of this condition would be entertainment television cabling run between buildings in a UPH complex.

e. Abbreviations used in Table L-1 are defined in the Legend at the end of the table.

Table L-1
Funding of Information Systems Support Components

System Component	ISCE	Funding Sources	
		Procure	Install
1. Telephone, administrative, all MILCON projects excluding UMMCA.			
Cabling. ¹	Y	CONF	CONF
POTS (plain old telephone system)dual tone multi-frequency (DTMF),explosion proof, weatherproof, and multi-line telephone sets. ²	Y	ISEC	ISEC
Telephone instruments other than those cited immediately above (e.g., call directors, key systems, integrated voice/digital terminals, and secure systems), directors, key systems, integrated voice/digital terminals, etc.). ²	Y	PROP	PROP
Modems.	Y	PROP	PROP
Voice/data switching equipment including line and trunk cards. ² & ³	Y	ISEC	ISEC
Line equipment ¹ .			
Fiber optic line drivers, fiber optics multiplexer (MUX), interface devices, etc., wired-in.	Y	CONF	CONF
Fiber optic line drivers, fiber optic MUX, interface devices, etc., (personal property).	Y	PROP	PROP
2. Telephone, administrative, unspecified UMMCA.			
Cabling.	Y	PROP	PROP
POTS, DTMF, explosion proof, weatherproof, and multi-line telephone sets.	Y	PROP	PROP
Instruments other than those cited immediately above (e.g., call directors, key systems, integrated voice/digital terminals, and secure systems).	Y	PROP	PROP
Modems.	Y	PROP	PROP
Voice data switching equipment including line and trunk cards.	Y	PROP	PROP
Line equipment.			
Fiber optic line drivers, fiber optic MUX, interface devices, etc. (real property).	Y	PROP	PROP
Fiber optic line drivers, fiber optic MUX, interface devices, etc. (personal property).	Y	PROP	PROP
3. Telephone, non-administrative (individual subscriber).			
Cabling, BEQ/BOQ/troop billets/family housing. ^{1,9}	Y	CONF	CONF
Telephone instruments and other equipment.	N	SUB	SUB
Outside cable plant, equipment and equipment shelter.	N	SUB	SUB
4. Intercommunication systems, complete.	A	CONF	CONF
5. Administrative outside cable plant (outside five-foot line).¹			